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fyi, fracking articles

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News Headline: To frack or not to frack: North Dakota's dilemma |  

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A Cabot Oil and Gas crew works on a natural gas valve at a hydraulic fracturing site in South Montrose, Pa., in January 2012.
/ By Spencer Platt, Getty Images

Filed Under

The oil rush in North Dakota has it all. Billions of dollars. Thousands of jobs. Grapes of Wrath-like journeys from all across America as people leave desperate situations, hoping for a fresh start. Big business shoe-horning itself into small-town America.

On the positive side, many who have made the trip to places like Williston, N.D., have come away with a job and renewed optimism for the future.

On the negative side, the incredible growth is not without its pains inadequate housing and crime, to name two emerging concerns. But from public officials to oil executives, there is a tremendous effort to manage it all.

However, two things beyond any one person's control hold the potential to make the boom go bust almost immediately.

The first, oil prices, is simple. Right now, oil needs to be selling at \$60 a barrel or more to make the process profitable in the huge rock formation called the Bakken. No problem there. It's selling at around \$100 a barrel with no price collapse in sight.

The second, hydraulic fracturing, or fracking, is a bit more complicated. There is a huge operating cost to drill down two miles and then two more miles laterally. In addition to the trucking, employment and infrastructure costs, the process of fracking is both costly and has become environmentally controversial.

Here's how the process works:

After drilling, workers do what they call "perforating." Thousands of small fissures are blasted into the rock surrounding the hole that's been drilled. Then, a mixture of water, sand and chemicals is pushed into the fissures at tremendous pressure. The sand (sometimes, ceramics are used) wedges itself into the tiny fissures, propping them open and allowing the oil to flow out of the rock.

The chemicals make up only 1% of the fracking "water," but several companies involved in the process refuse to disclose what goes into the ground.

There are two water issues: What happens to the water used in the fracking process and what happens to water near the drilled area.

Some residents in places like Pavillion, Wyo., are convinced their drinking water is toxic and that fracking is to blame.

"There is a well out here that is 500 feet away from us," said resident Louis Meeks. "They completed it in 2005, and then our water went bad."

Meeks now uses bottled water for almost everything. He won't even give tap water to his chickens.

The Environmental Protection Agency is testing the water in Pavillion, but stories like Meeks' have sparked an emerging environmental movement against fracking.

In a statement, the EPA wrote that the tested water did contain "compounds likely associated with gas production practices, including hydraulic fracturing."

Encana, which has drilled near the test locations, responded strongly, stating, "We are concerned that the EPA has jumped to some conclusions that we do not think are supported by science. "We think that a third party review would be great."

Roger Anderson, who works in the Department of Earth and Environmental Sciences at Columbia University, cautions against a rash judgment on fracking.

"It's been done for 100 years around the world," he says, adding that it becomes an issue when it happens in people's backyard.

"No one (in the general public) actually knows what is going on down there in the earth," he said. "I think it probably scares them a little."

The scientific and regulatory communities are trying to determine if the fear is justified.

Meanwhile, it's become a political issue. If that spreads nationwide, it could have a tremendous impact on what's going on in North Dakota.

Yes, it is true that the Bakken fracking is for oil and not for natural gas. And yes, there have been no major fracking controversies in North Dakota so far.

But if there were to be a nationwide moratorium on fracking which has been discussed the job and oil boom in North Dakota would go away virtually overnight.

Put simply, there is no other way to profitably get the oil out of the ground.

"That (a moratorium) would shut it down," said Williston Mayor Ward Koeser, pausing and then adding: "Overnight."

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News Text: The U.S. Environmental Protection Agency is investigating whether specific Marcellus Shale drilling and compressor station operations in Washington County have caused environmental damage that violates federal regulations.

The federal "multi-media" investigation of air, water and hazardous materials impacts, which the EPA has not previously acknowledged, began in late September when on-site testing was done and is the initial stage of a possible enforcement action or actions.

"In Washington County, EPA has conducted inspections at active industrial operations including well pads and compressor stations," Terri White, an EPA spokeswoman at the agency's Philadelphia regional office, said in an email response to questions last week.

"The EPA is assessing the findings of our air, water and hazardous waste investigations in Washington County," said Bonnie Smith, another EPA spokeswoman in Philadelphia, who noted that the agency will not disclose the names of the facility or facilities where testing has been done until the investigation is complete, and that's expected to take "several more months."

Washington County, just south of Pittsburgh, is a hotbed of Marcellus Shale gas development in southwestern Pennsylvania and has more wells and compressor stations, which pump natural gas through pipelines, than any other county in the region.

According to the latest accounting on the state Department of Environmental Protection's Oil & Gas Reporting website, there are almost 700 drilled Marcellus Shale gas wells in Washington County, and as of the middle of last year 278 of those were producing.

Although the DEP does not track compressor stations by county or region, there are at least 11 in Washington County, seven of those owned by MarkWest-Liberty Midstream & Resources LLC.

Water use and contamination has been a concern as deep gas drilling has rapidly expanded in Pennsylvania.

And emission of air pollutants by compressor stations -- including nitrogen oxides, sulfur dioxide, volatile organic compounds, airborne particulates and carbon monoxide -- are measured in hundreds of tons per year and have the potential to adversely affect the state's air quality.

"Washington County was chosen for multi-media inspections because there is a significant amount of oil and natural gas development occurring there," said Ms. Smith. "While natural gas operators employ various safeguards to minimize the risks inherent to the industry, legitimate concerns have emerged regarding potential environmental impacts."

Although the EPA informed the state of the federal probe, Katy Gresh, a DEP spokeswoman, declined to comment on it or say if the department is participating in it.

Such "multi-media" federal investigations, which assess air, water and land impacts of various operations, are not common in Pennsylvania or other states that enforce their own environmental laws. But they are a long-standing part of the EPA "tool box," Ms. Smith said.

According to the EPA program web page, multi-media investigations can target single facilities, multiple facilities owned by a single company, or geographically based environmental problems in a given area or industry.

The comprehensive enforcement approach was used in 2002 to address emissions problems nationwide from the polyvinyl chloride manufacturing industry.

In Pennsylvania, an EPA multi-media investigation in 2006 of the pharmaceutical manufacturer Merck & Co. in Northumberland and Montgomery counties, found company discharges violated the federal Clean Air Act and Clean Water Act,

and resulted in a \$1.5 million civil penalty paid last year to settle the charges.

The EPA also has the legal authority to step in to supplement state enforcement, much as it did in Dimock, Susquehanna County, last month, where it is supplying replacement water and testing well water supplies in 60 homes where residents say Marcellus Shale gas drilling has contaminated their water supplies. That testing is not a "multi-media" investigation because it's focused only on water problems, but it is similar due to the federal involvement.

The EPA decided to conduct the Dimock tests after receiving water quality complaints from Dimock residents, and after the DEP allowed Cabot Oil & Gas Corp. to stop supplying replacement water.

Rep. Jesse White, D-Cecil, who has been critical of the new Marcellus legislation approved by the Legislature last week and embraced by the Corbett administration, said he was unaware of the on-going federal investigation. He welcomed it because of what he termed "lackluster" regulation by the DEP.

"There are several areas in the county where there are potential problems that might attract the EPA," Mr. White said. "DEP's regulatory efforts should be motivated by facts, not politics. The EPA isn't snooping around here for nothing."

Range Resources, which owns the vast majority of the wells in Washington County, and MarkWest Energy Partners, which owns most of the compressor stations, could not be reached for comment.

Ms. Smith said the EPA tests done in September in Washington County are not related in any way to the on-going review of drinking water resources that is part of the National Study of Hydraulic Fracturing, which has selected a Washington County location as a case study.

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